

THE TORONTO STOCK EXCHANGE

9/5/68

FILING STATEMENT NO. 1616.
FILED, MAY 14th, 1968.

CAPTAIN MINES LIMITED

JUN 14 1968

Full corporate name of Company
Incorporated under the laws of Ontario in 1945 as Captain Yellowknife
Gold Mines Limited. Name changed by Supplementary Letters Patent in January, 1957.

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953
(Ontario) by Letters Patent dated May 1st, 1957).

Reference is made to previous
Filing Statement No. 1305.

FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things,
an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	(a) Offering of rights to shareholders to purchase a maximum of 616,571 shares; (b) Underwriting agreement to ensure receipt of \$92,485.65 (total offering) under such rights offering. Reference is made to Item 6 hereof.
2. Head office address and any other office address.	Head Office: Suite 908, 330 Bay Street, Toronto, Ontario.
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	President and a Director: <u>PHILIP E. BOYLEN</u> , Stock Broker, 95 Bayview Ridge Cres. Willowdale, Ontario. Vice-Pres. and a Director: <u>DAVID W. GORDON</u> , Professional Secretary, 51 Alexander St. Toronto, Ont. Secretary and a Director: <u>GORDON L. MOORE</u> , Mining Executive, 257 The East Mall, Islington, Ontario. Treasurer and a Director: <u>CHARLES B. BRANNIGAN</u> , Mining Accountant, 40 Elvaston Drive, Toronto, Ont. Director: <u>GORDON F. PUSHIE</u> , Industrial Consultant, Saint John, Newfoundland. Messrs. P.E. Boylen and Gordon F. Pushie were elected directors at the annual meeting of shareholders held on April 30, 1968, in place and stead of M.J. Boylen and F.B. Gee who had previously been directors.
4. Share capitalization showing authorized and issued and outstanding capital.	Authorized: 5,000,000 shares without par value. Issued: 4,316,000 shares, all as fully paid.
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	Nil
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	See Schedule "A" on page 3.
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	Those who have any interest direct or indirect in the underwriting agreement referred to in Item 6 hereof are those who are the shareholders of Mikaris Holdings Limited, the underwriter named therein. Such shareholders are David W. Gordon, 51 Alexander Street, Toronto 5, Ontario, Philip E. Boylen, 95 Bayview Ridge Crescent, Willowdale, Ontario, and James A. Boylen, R.R. No.2, Malton, Ontario. Philip E. Boylen is the President of Captain Mines Limited and David W. Gordon is its Vice-President, and both are directors.
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	None

<p>9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.</p>	<p>The Company will receive \$92,485.65 as the proceeds from the sale of shares to be issued under the rights offering as above set forth. The Company intends to use such funds firstly to retire its accounts payable in the approximate amount of \$19,000, secondly to carry out exploration of an uranium prospect in the Baie-Johan-Beetz area of Duplessis County, Province of Quebec, and thereafter to the extent possible to acquire and/or examine other mineral prospects of potential merit. The Company's consultant, O.A. Seeber, has detailed in his letter of May 3 1968, reproduced herewith, the work done on the Johan-Beetz area claims during the 1967 season. He has recommended additional prospecting this year at an estimated cost of \$5,000. The Company intends to acquire by staking certain claims on Victoria Island, Northwest Territories, and staking is now under way. Provision is being made for an initial exploration program to cost approximately \$25,000. No funds of the Company will be used for the purchase of securities other than those eligible for investment by insurance companies, unless prior notice thereof has been given to and accepted for filing by the Toronto Stock Exchange.</p>
<p>10. Brief statement of company's chief development work during past year.</p>	<p>A limited diamond drilling programme was carried out on 112 mining claims optioned by the Company in Glencoe Parish, County of Inverness, Cape Breton Island, Nova Scotia. The option was dropped as the programme indicated that further exploration was not warranted. The mining licence held by the Company over some 1,200 acres in the Parishes of Northesk and Bathurst, Northumberland and Gloucester Counties, New Brunswick, has been maintained in good standing. An airborne radiometric survey was carried out early last summer on 40 claims covering a possible uranium prospect in the Baie-Johan-Beetz area of Duplessis County, Province of Quebec. Prospecting and reconnaissance geological mapping were then done by the Company field crews. The Yellowknife claims of the Company have been retained.</p>
<p>11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.</p>	<p>None</p>
<p>12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.</p>	<p>None</p>
<p>13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.</p>	<p>330,000 shares are in escrow with Guaranty Trust Company of Canada at Toronto and require the prior consent of the Toronto Stock Exchange before release pro rata among the holders thereof. In addition, 505,000 shares are in escrow with Crown Trust Company at Toronto and are subject to release, transfer, hypothecation or other alienation only with the written consent of the Ontario Securities Commission and the Board of Directors of the Company.</p>
<p>14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)</p>	<p>See Schedule "B" on page 3.</p>

SCHEDULE "A"

The Company will offer to its shareholders of record at a date to be fixed by the directors, the right to purchase at the price of 15¢ per share, one additional share in the capital of the Company for every seven shares held at the record date. Subscriptions for fractional shares will not be accepted. The new issue will not be registered under The Securities Act of 1933 of the United States of America and the shares will not be offered to shareholders whose recorded addresses are in the United States or any of its territories or possessions. The rights to purchase such shares will be transferable and will be traded in on the Toronto Stock Exchange until shortly before they expire. There is understood to be no objection to a United States shareholder selling his rights. The offering of such shares will terminate four weeks after the record date. It is expected that the record date will be established as a date in late May or early June following acceptance for filing of notice of the proposed offering by the Toronto Stock Exchange and exemption from registration for the shares to be offered to the shareholders under The Securities Act, 1966 (Ontario).

Mikaris Holdings Limited, a registered underwriter under The Securities Act, 1966 (Ontario) acting as the principal, has agreed with the Company to purchase at the said price of 15¢ per share at the termination of the aforesaid rights offering all shares which have not been subscribed for by shareholders under the rights afforded to them. The Company will thus be assured of receipt of the sum of \$92,485.65.

Any shares which the said underwriter may be called upon to purchase under its aforesaid commitment may be offered thereafter in primary distribution only in accordance with the provisions of The Securities Act, 1966. If called upon to do so by the underwriter, the Company must file a Statement of Material Facts respecting such shares.

The Company is applying to the Ontario Securities Commission for an exemption from registration under The Securities Act, 1966, for the shares which shall be purchased by shareholders of the Company under the rights offering.

SCHEDULE "B"

Grandroy Mines Limited,
Suite 908 - 330 Bay St.,
Toronto, Ontario. - 180,000 shares (Beneficially owned)

Houston & Co. Limited,
(formerly at 335 Bay St.,
Toronto, Ontario). - 150,000 shares
(beneficially owned by Lanson Holdings Limited)

The foregoing relate to 330,000 shares in escrow with Guaranty Trust Company of Canada.

The following are the names and addresses of the owners of the 505,000 escrowed shares held at Crown Trust Company, namely:

D.K. Archibald, R.R.1, Sydney, B.C.	6,733 shs.
M.J. Boylen, Suite 904, 330 Bay St., Toronto, Ontario.	102,528 "
Col. Alan Cockeram, C/o F.M. Connell, 85 Richmond St. West, Toronto, Ont.	26,513 "
Conwest Exploration Company Limited, 85 Richmond St. West, Toronto, Ont.	79,538 "
Edith E. Crabtree, 80 Heath St. West, Apt. 312, Toronto 7, Ontario.	6,313 "
Graham & Company, 15 Victoria Square, Montreal, Quebec.	13,467 "
A.S. Hodgson, C/o Premier Trust Company, 19 Richmond St. West, Toronto, Ont.	5,260 "
Houston & Co. Limited, 335 Bay St., Toronto, Ontario.	5,822 "
C.S. Kennedy, Suite 903, 330 Bay St., Toronto, Ontario.	6,628 "
Lanson Holdings Limited, Room 903, 330 Bay St., Toronto, Ontario.	57,000 "
Frank Morrison, P.O. Box 433, Yellowknife, N.W.T.	13,888 "
Donald Edmund McLeod, 61 Mount Pleasant Ave., Valois, P.Q.	6,733 "
The Nomad Exploration Co. Limited, C/o Plaxton and Company, Room 2104, 80 King Street West, Toronto, Ontario	21,041 "
Holland Pettit, Sr., C/o Holland Pettit Jr., 48 Yonge St. Toronto, Ont.	8,383 "
Holland Pettit, Jr., 48 Yonge Street, Toronto, Ontario.	1,683 "
H.A.W. Plaxton, Suite 2104, 80 King Street West, Toronto, Ontario.	23,567 "
Christopher Riley, 102 - 402 West Pender Street, Vancouver, B.C.	1,368 "
Roemollie Investments Ltd., C/o Donald K. Archibald, R.R.1, Sydney, B.C.	35,632 "
Alice A. Rutley, P.O. Box 39, South Lancaster, Ontario.	29,878 "
Walter E. Segsworth Trust, C/o Fasken, Calvin & Co., Box 30, Toronto-Dominion Tower, Toronto, Ont.	26,512 "
Karl J. Springer, Suite 225 - 12 Richmond St. East, Toronto, Ont.	26,513 "

FINANCIAL STATEMENTS

CAPTAIN MINES LIMITED (Incorporated under the Laws of Ontario) BALANCE SHEET - APRIL 30, 1968

ASSETS

Current		
Cash	\$ 207.24	
Accounts receivable	<u>4,873.02</u>	\$ 5,080.26
Investments, at cost		73,281.29
Mining properties		132,738.97
Mine development and administrative expenses		<u>293,819.44</u>
		<u>\$504,919.96</u>

LIABILITIES

Accounts payable and accrued liabilities	18,735.39
--	-----------

SHAREHOLDERS' EQUITY

Capital Stock		
Authorized		
5,000,000 shares without par value, not to exceed aggregate of \$5,000,000		
Issued		
4,316,000 shares	697,229.75	
Deficit (unchanged from January 1, 1968)	<u>211,045.18</u>	<u>486,184.57</u>
		<u>\$504,919.96</u>

APPROVED ON BEHALF OF THE BOARD:

F. E. Boyle Director

G. R. Brown Director

Prepared without audit

We hereby certify that there have been no material changes in the items on the Balance Sheet of the Company since date of the said Balance Sheet dated April 30, 1968 and date of the Company's Filing Statement.

CAPTAIN MINES LIMITED

F. E. Boyle, President
G. R. Brown, Secretary

CAPTAIN MINES LIMITED
STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE FOUR MONTHS ENDED APRIL 30, 1968

SOURCE OF FUNDS

\$ —

APPLICATION OF FUNDS

Increase in mine development and
administrative expenses

Mine Development Expenses

Surface exploration	\$ 113.60	
Mining licenses and fees	<u>480.00</u>	\$ 593.60

Administrative Expenses

Bank charges	2.00	
General expense	25.00	
Head office administration	1,000.00	
Listing fees	100.00	
Transfer agent and registrar fees	190.55	
Reports to shareholders	<u>39.91</u>	<u>1,357.46</u>
		<u>1,951.06</u>

WORKING CAPITAL

Decrease for the period	1,951.06
Deficiency at January 1, 1968	<u>11,704.07</u>
Deficiency at April 30, 1968	<u><u>13,655.13</u></u>

	January <u>1, 1968</u>	April <u>30, 1968</u>
Current assets	\$ 7,198.84	\$ 5,080.26
Current liabilities	<u>18,902.91</u>	<u>18,735.39</u>
Deficiency	<u><u>\$11,704.07</u></u>	<u><u>\$13,655.13</u></u>

APPROVED ON BEHALF OF THE BOARD

J. E. Boyle Director
S. H. Moore Director

CAPTAIN MINES LIMITED

SCHEDULE OF INVESTMENTS

APRIL 30, 1968

	Cost	Market Value
54,232 Atlantic Coast Copper Corporation Limited	\$54,232.87	\$35,250.80
3,600 Northern Canada Mines Limited	7,935.00	4,176.00
55,567 Beauce Placer Mining Co. Ltd.	<u>5,556.71</u>	<u>4,167.52</u>
	67,724.58	43,594.32
<u>Other</u>		
55,567 Beauce Placer Mining Co. Ltd. (in escrow)	<u>5,556.71</u>	<u>—</u>
	<u><u>\$73,281.29</u></u>	<u><u>\$43,594.32</u></u>

CAPTAIN MINES LIMITED
SCHEDULE OF MINING PROPERTIES
APRIL 30, 1968

3	Mining leases, Yellowknife mining district, Northwest Territories. Consideration given was 1,200,000 shares valued by the directors at 10¢ per share.	\$120,000.00
1	Mining license comprising 1,210 acres in the parishes of Bathurst and Northesk, Counties of Gloucester and Northumberland, Province of New Brunswick. Consideration given was 200,000 shares valued by the directors at 5¢ per share.	10,000.00
40	Mining claims in Baie Johan Beetz Area, Township of Desherbiers and projected township 1075, Electoral District of Duplessis, Province of Quebec. Consideration given was cash.	<u>2,738.97</u>
		<u>\$132,738.97</u>

CONTINUITY OF MINE DEVELOPMENT AND ADMINISTRATIVE EXPENSES
FOR THE FOUR MONTHS ENDED APRIL 30, 1968

Balance, January 1, 1968	\$291,868.38
Expenses for the period	<u>1,951.06</u>
Balance, April 30, 1968	<u><u>\$293,819.44</u></u>

ENGINEER'S REPORT

NOTE: The following is a Summary Report prepared by O.A. Seeber, B.A., dated May 13th, 1968, on the Companies mining claims located in the Johan Beetz area.

O. A. SEEBER
41 ABILENE DRIVE
ISLINGTON, ONTARIO, CANADA

May 13, 1968

The President and Directors
Captain Mines Limited
Suite 908 - 330 Bay Street
Toronto 1, Ontario

Gentlemen:

In reply to your request for up-to-date information on the properties of Captain Mines Limited plus exploration work contemplated for the 1968 field season I would advise as follows:

During 1967, only reconnaissance ground coverage was carried out on the Company's 40-claim group in the Johan Beetz uranium area along the north shore of the Gulf of St. Lawrence in Quebec. An airborne radiation survey, previously completed, had indicated that radioactive anomalies, presumably caused by uranium mineralization, existed on the claims. Ground investigation confirmed this but due to lateness of the season and unavailability of personnel no effort was made to develop any of the favourable structures disclosed in the geological survey. A picket line grid has been cut over most of the property. It is recommended that at least \$5,000.00 be allocated for rock trenching after ground scintillometer prospecting during the summer of 1968.

No work is contemplated this year on the New Brunswick copper deposit of the Company but provision should be made to maintain the entire claim group in good standing. A similar recommendation is made for the claims at Yellowknife, N.W.T.

In addition it has been recommended that the Company acquire by staking certain claims on Victoria Island in the Northwest Territories; this work is now in progress. The area is a remote one and operating costs are bound to be high therefore it is recommended that a minimum of \$25,000.00 be set aside for this programme, which will entail ground prospecting, geological and geophysical surveys and possibly geochemical soil and/or silt surveys. It is expected this work will be done in conjunction with similar programmes to be carried out in the area by certain associated Companies thus lessening the expense burden.

As usual, it will be desirable to consider other exploration bets if and when they become available. The sum of \$25,000.00 could reasonably be budgeted for such new projects.

Respectfully submitted,



O. A. Seeber
Consultant

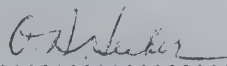
OAS:r

O. A. SEEBER

C E R T I F I C A T E

I, ORVILLE ALEXANDER SEEBER, of the Township of Etobicoke,
County of York, in the Province of Ontario, do hereby certify as
follows:

- (1) THAT I am a Mining Geologist, a Member of the Geological Association of Canada and reside at 41 Abilene Drive, Islington, Ontario.
- (2) THAT I am employed by M. J. Boylen Engineering Offices and as such have knowledge of the matters herein contained.
- (3) THAT I am a graduate of Queen's University, a Bachelor of Arts in Geology and Mineralogy and have been practising my profession since 1937.
- (4) THAT I have no direct or indirect interest whatsoever in the property or mining claims covered by this report nor do I have direct or indirect interest in the shares of Captain Mines Limited. I do not expect to receive any direct or indirect interest in the shares or mining claims held by Captain Mines Limited.
- (5) THAT my recommendations of May 13, 1968 are based on personal knowledge of the properties herein.


.....
O. A. Seeber, B.A.

Dated at Toronto, Ontario
this 13th day of May, 1968

15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	<p>According to the share registrar and transfer agent of the Company:</p> <p>Houston & Co. Limited (Formerly at 335 Bay St., Toronto, Ontario) 553,822 shares - (155,822 escrowed)</p> <p>Grandroy Mines Limited, Suite 908 - 330 Bay St., Toronto, Ontario. - 180,000 shares (all escrowed)</p> <p>Lanson Holdings Limited, Suite 908, - 330 Bay St., Toronto, Ontario. - 113,000 shares</p> <p>M.J. Boylen, Suite 904 - 330 Bay St., Toronto, Ontario. - 102,554 shares</p> <p>James Richardson & Sons, Winnipeg, Manitoba. - 100,216 shares.</p> <p>The shares registered in the names of Grandroy Mines Limited, Lanson Holdings Limited and M.J. Boylen are believed to be beneficially owned by such shareholders. The Company does not know the beneficial owners of shares registered in the names of brokers as above, except that Lanson Holdings Limited beneficially owns 155,822 of the shares registered in the name of Houston & Co. Limited including the 150,000 escrowed shares at Guaranty Trust and 5,822 escrowed shares at Crown Trust Company.</p>			
16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	It is believed that the present Directors of the Company are in such position, dependent upon proxies from a sufficient number of shareholders.			
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	Number of Shares	Name of Company	Book Value	Market Value
	54,232	Atlantic Coast Copper Corporation Limited	\$54,232.87	\$34,166.10
	3,660	Northern Canada Mines Limited	7,935.00	4,140.00
	111,134	Beauce Placer Mining Co. Ltd. (55,567 shares held in escrow)	11,113.42	4,723.19
			\$73,281.29	\$43,029.35
18. Brief statement of any lawsuits pending or in process against company or its properties.	There are no lawsuits pending or in process against the Company or its properties.			
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	None			
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	<p>No shares of the Company are presently in primary distribution to the public. Shares which shall be purchased by shareholders under the proposed rights offering may be offered and sold by such shareholders by way of secondary distribution.</p> <p>Shares which may be purchased by the underwriter named in Item 6 hereof, pursuant to its commitment to the Company, may be offered and sold in primary distribution only in compliance with the provisions of The Securities Act, 1966.</p> <p>There are no other material facts.</p>			

DATED May 7, 1968.
CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

CAPTAIN MINES LIMITED

"P.E. Boylen" per: P.E. Boylen CORPORATE SEAL
 "G.L. Moore" per: G.L. Moore Secretary

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

MIKARIS HOLDINGS LIMITED

"D.W. Gordon" D.W. Gordon President
 "G.L. Moore" G.L. Moore Secretary

THE TORONTO STOCK EXCHANGE

FILING STATEMENT NO. 1305.
FILED, APRIL 29th. 1965.

CAPTAIN MINES LIMITED

Full corporate name of Company
Incorporated under The Ontario Companies Act (Part II) by Letters Patent dated January 17th, 1945; Supplementary Letters Patent dated January 10th, 1957
Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953 (Ontario) by Letters Patent dated May 1st, 1957).

FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things, an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	CAPTAIN MINES LIMITED, hereinafter referred to as the "Company" proposes to sell 300,000 shares of its capital stock, by firm commitment, and to grant an option on an additional 700,000 shares to Houston & Co., on behalf of a "Client", as referred to in Item 6 hereof; and to carry out additional exploration and development work on its New Brunswick mining property.		
2. Head office address and any other office address.	HEAD OFFICE: Suite 908, 330 Bay Street, TORONTO 1, Ontario.		
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	D.W. GORDON, Professional Secretary G.L. MOORE, Executive. C.E. BRANNIGAN, Mining Accountant. M.J. BOYLEN, Prospector and Mining Executive. C.S. KENNEDY, Mining Executive	51 Alexander Street, TORONTO, Ontario. 60 Rivercove Drive ISLINGTON, Ontario 40 Elvaston Drive, TORONTO 16, Ontario. 35 Kingsway Crescent, TORONTO 18, Ontario. 575 Avenue Road, TORONTO, Ontario.	Director and President. Director and Vice-President. Director and Secretary-Treasurer Director. Director.
4. Share capitalization showing authorized and issued and outstanding capital.	CAPITAL STOCK: AUTHORIZED: 5,000,000 shares without nominal or par value. ISSUED AND OUTSTANDING: 3,516,000 shares.		
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	None authorized or outstanding.		
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	Houston & Co., acting on behalf of a "Client", at 335 Bay Street, Toronto, Ontario, has agreed to underwrite, by firm commitment, 300,000 shares of the capital stock of the Company at the price of 15¢ per share, to be taken up and paid for within a period of three days from the date of receipt of notice of acceptance for filing of the Company's Filing Statement relative thereto by The Toronto Stock Exchange; and, in consideration thereof, the Company has agreed to grant unto Houston & Co., on behalf of its "Client", an Option to purchase an additional 700,000 shares of the Company, in four installments as follows: 100,000 shares of the Company at the price of 15¢ per share; and 200,000 shares at the price of 20¢ per share; and 200,000 shares at the price of 25¢ per share; and 200,000 shares at the price of 30¢ per share, to be taken up and paid for over a period of 360 days.		
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	Lanson Holdings Limited, a private company, wholly owned by Mr. M. J. Boylen, with its office at Suite 908, 330 Bay Street, Toronto, Ontario, is the "Client" as referred to in Item No. 6 hereof and it will have a one hundred (100%) percent interest in the shares of the Company to be underwritten and optioned as hereinbefore set forth. Mr. Boylen is also a Director of Captain Mines Limited. no assignment of the said shares is proposed or contemplated.		
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	No cash or securities of the Company will be paid to a promoter in connection with the proposed underwriting and option referred to in Item No. 6 hereof.		
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	The Company proposes to carry out a feasibility study on its Province of New Brunswick mining property and to explore its existing ore body estimated to contain 217,000 tons grading 2.26% in copper, and which is believed to have possibilities beyond the calculated tonnage. It is possible this report may recommend a series of closely spaced drill holes to the upper portion of the ore zone to better define the ore body. The proceeds from the sale of the Company's shares will be used as follows: (a) To repay bank loan \$12,000.00 (b) To carry out the feasibility study above mentioned and any further exploration work required relative thereto, and the balance for administrative expenses \$16,000.00 Account Payable to the amount of \$18,500.39 is subordinated until such time as the first option installment is exercised in full.		

10. Brief statement of company's chief development work during past year.	No exploration or development work was carried out on the areas covered by the Company's Mining Leases in the Northwest Territories and its Mining License in the Province of New Brunswick during 1964. The claims comprising the two mining properties of the Company were maintained in good standing.		
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	Not Applicable.		
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	Not Applicable.		
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	<p>835,000 shares of the Company are presently held in escrow.</p> <p>505,000 shares are held in escrow by Crown Trust Company at 302 Bay Street, Toronto, Ontario, subject to release, transfer, hypothecation or other alienations only upon the written consent of the Ontario Securities Commission and The Toronto Stock Exchange and the Board of Directors of the Company; and</p> <p>330,000 shares are held in escrow by Guaranty Trust Company of Canada at 366 Bay Street, Toronto, Ontario, subject to release, transfer, hypothecation or other alienations only upon the written consent of The Toronto Stock Exchange and the Board of Directors of the Company.</p>		
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	Registrant	Addresses	Number of Shares (Escrowed)
	M. J. Boylen	35 Kingsway Crescent, Toronto 18, Ontario	159,528
	Allen Cockeran	85 Richmond Street West, Toronto, Ontario	26,513
	Conwest Exploration Company Limited	Suite 1001, 85 Richmond Street West, Toronto, Ontario	79,538
	Roemollie Investment Limited	P.O. Box 100, Preston British Columbia	35,632
	Karl J. Springer	67 Yonge Street, Toronto, Ontario.	52,025
	Jacquet River Mines Limited	330 Bay Street, Toronto, Ontario.	180,000
	James McEvoy	Box 1161, Yellowknife Northwest Territories.	150,000
	The shares registered in the names of M. J. Boylen and Jacquet River Mines Limited are beneficially owned by the Registrants. The remaining shares registered, as above, are to the best knowledge and belief of the Company beneficially owned by the Registrants.		
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	REGISTRANT	TOTAL NUMBER OF SHARES	SHARES HELD IN ESCROW
	Doherty Roadhouse & McQuaig Bros. 335 Bay Street, Toronto, Ontario	198,500	-
	Jacquet River Mines Limited, 330 Bay Street, Toronto, Ontario	180,000	180,000
	James McEvoy, Box 1161, Yellowknife, Northwest Territories.	151,000	150,000
	James Richardson & Sons, 173 Portage Avenue East, Winnipeg, Manitoba.	148,916	-
	Houston & Co., 335 Bay Street, Toronto, Ontario	126,400	-
	The shares above mentioned registered in the name of Jacquet River Mine Limited and in the name of James McEvoy, are to the knowledge and belief of the Company beneficially owned by the Registrants. The beneficial owners of the shares registered in "Street" names as above are unknown to the Company.		

FINANCIAL STATEMENTS

CAPTAIN MINES LIMITED
Incorporated under the laws of Ontario

BALANCE SHEET

December 31, 1964

-0-

- ASSETS -

- LIABILITIES -

Cash	50.30	Current liabilities:	12,000.00
Investments, at cost:		Bank loan, secured	19,816.21
3,000 shares, Northern Canada Mines Limited	7,035.00	Accounts payable and accrued expenses	31,816.27
(market value \$5,850.00)			
54,232 shares, Atlantic Coast Copper Corporation Limited	54,232.87		
(market value \$62,366.80)		- SHAREHOLDERS' EQUITY -	
111,134 shares, Beauce Placer Mining Co. Ltd.	72,381.29	Capital stock:	
(market value \$14,447.42)	11,113.42	Authorized:	
		5,000,000 shares without par value, not to exceed	
		the aggregate of \$5,000,000.00	
Mining properties, at cost (see note)	130,000.00	Issued:	
		No. of shares	
Mine development and administrative expenses	216,183.64	For mining properties	1,550,000 145,000.00
		For investments	16,000 1,600.00
		For cash	1,950,000 400,629.75
			3,516,000 547,229.75
		Deficit (no change during year)	160,430.72 386,798.95
			\$418,615.23

Note:

- Mining properties consist of the following:
- (a) 3 mining leases located in the Yellowknife mining district, North West Territories. The consideration given for these leases was 1,200,000 shares, valued by the directors at 10¢ per share.
 - (b) 1 mining license, comprising 1,210 acres in the Parishes of Bethurst and Northesk, Counties of Gloucester and Northumberland, Province of New Brunswick. The consideration given for this license was 200,000 shares, valued by the directors at 5¢ per share.

Approved on behalf of the Board.

Director

AUDITORS' REPORT

To the Shareholders of

Captain Mines Limited:

We have examined the balance sheet of Captain Mines Limited as at December 31, 1964 and the statement of mine development and administrative expenses for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion: the accompanying balance sheet and related statement of mine development and administrative expenses present fairly the financial position of the company as at December 31, 1964 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada,
February 12, 1965.

Shane, Millbolland, Homan & Matheson
Chartered Accountants

CAPTAIN MINES LIMITED

STATEMENT OF MINE DEVELOPMENT AND ADMINISTRATIVE EXPENSES

Year ended December 31, 1964

-0-

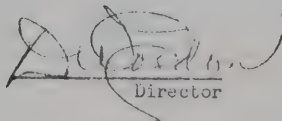
	Balance December 31, 1963	Additions during year	Balance December 31, 1964
<u>Mine development:</u>			
Assays and core boxes	4,449.22		4,449.22
Engineering fees	2,158.54		2,158.54
Geological survey	1,708.00		1,708.00
Geophysical surveys	11,575.60		11,575.60
Insurance	118.00		118.00
Maps and blueprints	117.41		117.41
Mine office expenses	110.67		110.67
Mining licenses and fees	6,712.38	302.68	7,015.06
Road expenses	500.00		500.00
Surface diamond drilling	120,820.73		120,820.73
Surface exploration	32,572.40		32,572.40
Travelling and transportation	1,082.51		1,082.51
	<u>181,925.46</u>	<u>302.68</u>	<u>182,228.14</u>
<u>Administrative expenses:</u>			
Advertising	671.33		671.33
Bank charges and interest	2,192.64	240.66	2,433.30
Corporation taxes	353.32	35.99	389.31
Filing fees	1,563.00	180.00	1,743.00
General expense	162.20	13.00	175.20
Head office administration	16,050.00	1,800.00	17,850.00
Legal and audit	4,664.00	150.00	4,814.00
Office stationery and supplies	1,305.13	29.48	1,334.61
Postage	394.30	54.58	448.88
Security registration	2,222.52		2,222.52
Telephone and telegraph	463.55	7.85	471.40
Transfer agent and registrar fees	4,269.70	372.80	4,642.50
Reports to shareholders	1,867.93	237.81	2,105.74
	<u>36,179.62</u>	<u>3,122.17</u>	<u>39,301.79</u>
<u>Less Interest earned</u>	<u>(4,946.29)</u>	<u>(400.00)</u>	<u>(5,346.29)</u>
	<u>31,233.33</u>	<u>2,722.17</u>	<u>33,955.50</u>
	<u>\$213,158.79</u>	<u>\$3,024.85</u>	<u>\$216,183.64</u>

CAPTAIN MINES LIMITEDStatement of Source and Application of Funds for the period
January 1, 1965 to March 31, 1965.

Cash Balance - January 1, 1965 \$50.30

Application:

Bank Charges	\$ 2.00	
Transfer Agent and Registrar Fee	\$25.00	\$27.00
Cash Balance - March 31, 1965		\$23.30

APPROVED:


Director

Director

ENGINEER'S REPORT

Note:- The following is a report by R. W. Demsey, P. Eng., dated, June 14th, 1965, on mining claims located in the Bathurst - Newcastle Area, Gloucester and Northumberland Counties, Province of New Brunswick.

CAPTAIN MINES LIMITED

PROPERTY

The property consists of thirty (30) mining claims located in Gloucester and Northumberland Counties, Province of New Brunswick, containing an area of approximately 1200 acres. The claims are registered under License No. 1622 issued by the Minister of Lands and Mines, Fredericton, covering claims Nos. 21 to 40 inclusive and Nos. 451 to 460 inclusive.

LOCATION

The property is located in the Bathurst-Newcastle area and lies some seven (7) miles east of the Heath Steele ore bodies and eight (8) miles south of the Brunswick Mining and Smelting Corporation No. 6 ore body.

ACCESS

A woods road provides truck access to the property, a distance of approximately eight (8) miles. A spur line of the C.N.R. traverses the claim group in an east-west direction adjacent to the indicated ore zone.

HISTORY

Line cutting and an electromagnetic survey was carried out on the property in 1953. In 1956 a new geophysical survey was conducted along with soil sampling, geological mapping and 15,000 feet of surface diamond drilling. Although several anomalies were test drilled, the bulk of drilling was confined to an anomalous area in the central portion of the property. There are a number of other anomalies which have not as yet been drilled.

GEOLOGY

The geological survey established that the property straddles the belt of favorable rocks in which the two main Brunswick ore bodies and the four main Heath Steele ore bodies occur.

ORE ZONE

Surface drilling to date has partially outlined a copper bearing zone which is estimated to contain approximately 800,000 tons grading 1.15% copper. This tonnage is calculated to a depth of 800 feet, over a length of 290 feet and a width of 39 feet. A review of the drill logs and plans indicates that there are 191,000 tons grading 2.03% copper between the 100 and 500 ft. horizons. This is comprised of the following blocks, each of which is based on one drill hole:

Tons	% Copper
28,200	2.30
8,200	2.90
20,900	1.77
115,100	2.01
18,600	1.65

PROPOSED EXPLORATION

It is strongly recommended that an additional 10,000 feet of surface diamond drilling be done to further detail the tonnage and grade potential of the zone to a depth of 800 feet. The results of this proposed drilling programme will determine whether additional surface drilling or underground exploration is warranted.

To date only four holes have been drilled below the 500 elevation in the area of this copper bearing zone. One of these returned 1.78% copper across 30 feet.

In previous drilling most of the holes flattened considerably and probably changed lateral direction as well. It is, therefore, suggested that future drilling and particularly the deeper holes be drilled with "B" equipment and that precautions be taken to assure excellent core recovery and directional control.

The proposed drilling programme is designed to probe the zone on a grid pattern of 100 foot intervals. The estimated cost of the project is \$40,000.

SUMMARY AND RECOMMENDATIONS

In synopsis this report states that there is not sufficient surface drilling done to adequately appraise the potential of the indicated copper bearing zone.

It is premature to report fully on the feasibility of exploiting the copper zone.

The capital cost of placing this property into production on a minimum basis, provided sufficient ore is found, will run in the neighbourhood of \$950,000. If this operation were on a straight salvage basis, there would be the resale value of major equipment items to be considered.

There are at least three reasonable alternatives for custom milling facilities.

It is recommended that a programme involving at least 10,000 feet of surface drilling be initiated as soon as possible. This work, while primarily intended to detail the indicated copper zone may also lead to additional ore on strike and depth extensions.

FEASIBILITY

A feasibility study is somewhat premature at this stage in view of the planned exploration programme and the additional information that will be forthcoming.

However, for future reference, a summary of capital cost to place the property into production at a rate of 300-400 tons per day to an operating depth of 500 feet is attached hereto.

Also included here is an estimate of operating revenue and cost based on the aforementioned indicated 191,000 tons grading 2.03% copper diluted by 10 percent volume running 0.5% Copper. (210,000 tons @ 1.89%)

Assuming that insufficient ore is found to justify the construction of a concentrator at the mine site, and the present ore indications are enlarged to deem an operation on custom milling bases an adequate venture, then the following possibilities are open for inspection:

(1) Custom Mill at Heath Steele

(a) Heath Steele has facilities for the treatment of copper ores. A direct railroad line extends from the mine site to the Heath Steele Plant, a distance of approximately 8 miles. Loading of cars with run of mine ore would not present any problems. The crusher feed (surface dumping facilities) at Heath Steele is at a higher elevation than the railway. This would necessitate a conveyor or reloading into trucks for a very short haul.

(b) An alternate method of ore haulage to Heath Steele would involve the building of approximately 6 miles of gravel road from the mine site to the Heath-Newcastle Highway. This method would provide a direct system from the mine storage bin to the custom mill crushers over a distance of about twelve (12) miles.

(2) Custom Mill at Brunswick Mining and Smelting

(a) The railroad line which traverses the mine property joins the main C.N.R. line at Bartibog Station. The main C.N.R. line joins with the EM & S spur at Nepisiquit Junction. The approximate distance via railway from the Captain mine site to the EM & S plant is sixty (60) miles.

Although EM & S does not have treatment facilities for a straight copper product, it is likely that in the near future they will develop their copper ore body and provide for its treatment either in conjunction with their present plant or with a separate installation.

(3) Custom Mill at Key Anacon

There is a possibility that this company may construct a copper-lead-zinc concentrator within the next year. While there is not direct access between the two properties, construction of a haulage road would certainly warrant consideration if Captain goes into production.

No attempt has been made to ascertain the costs involved with regard to the above alternatives.

SUMMARY

CAPITAL COST ESTIMATE OF SURFACE PLANT AND MINE DEVELOPMENT

1. <u>Clearing Site</u>	\$ 1,300
2. <u>Production Headframe</u>	
(a) Building (75')	25,000
(b) Equipment	26,000
3. <u>Service Building</u>	
(a) Hoist, Compressor, Machine Shop, Dry, Warehouse, Boiler	45,000
(b) Equipment	152,000
4. <u>Carpenter Shop & Garage</u>	
(a) Building	4,500
(b) Equipment	32,500
5. <u>Bunkhouse</u> - Building & Equipment	24,000
6. <u>Cookery</u> - Building & Equipment	20,000
7. <u>Dwellings</u> - 3 Trailers	15,000
8. <u>Water Supply & Fire Protection</u>	10,000
9. <u>Mine Ventilation</u>	7,500
10. <u>Surface Power Distribution</u>	12,000
11. <u>Yards & Roads</u>	5,000
12. <u>Miscellaneous</u>	25,000
13. <u>General Expense</u>	
Construction Supervision & Engineering	25,000
14. <u>Insurance</u>	5,000
15. <u>Stores</u>	34,000
16. <u>Surface Pipe Lines</u>	10,000
17. <u>Working Capital</u>	80,000
18. <u>Road Construction</u>	30,000
19. <u>Shaft Sinking</u> - 550' depth	124,000
20. <u>Loading Pockets</u>	6,000

21. <u>Mine Equipment</u>	10,000
22. <u>U.G. Electrical Distribution</u>	10,000
23. <u>Development & Stope Preparation</u> - (3,000')	150,000
TOTAL FUNDS REQUIRED:	\$ 958,800

ESTIMATE OF COPPER VALUE

Terms of Reference

(1) Grade	1.89% Cu
(2) Tonnage Reserve	210,000 Tons
(3) Recovery	93%
(4) Concentrate	25%
(5) Copper Price	35¢

Daily Tonnage ~ 300 tons

Lbs. copper produced per day $300 \times 3.78 \times \frac{93}{100} = 10,546$ lbs. Cu

Tons of Concentrate produced per day $\frac{10,546}{500} = 21.1$ tons

Revenue per ton of Concentrate - $4.80 \times 35¢ = \$ 168.00$
Less Smelting & Freight 34.00
\$ 134.00 per ton

Net Return per day $21.1 \times 134.00 = \$2,827$

Net Return per ton of Ore per day $\frac{\$2,827}{300 \text{ tons/day}} = \9.42

Estimated mine operating costs per ton
(Haulage and Custom Mill at Heath Steele) \$7.50

Estimated operating profit per ton \$1.92

Indicated Operating profit on 210,000 tons \$4,03,000

SOURCES OF INFORMATION

Geological Report
Dr. A.B. Baldwin, August 1957


Captain Mines Limited
Records of Logs and Assays
Plans of drill holes

Metallurgical Report
Lakefield Research of Canada Ltd.,
January, 1961

CERTIFICATION

I, Robert W. Dempsey, of the village of Rockingham,
County of Halifax, in the Province of Nova Scotia,
do hereby certify:

- (1) That I am a Mining Engineer and reside in the village of Rockingham, Nova Scotia.
- (2) That I am a graduate of Nova Scotia Technical College with a degree of Bachelor of Engineering in Mining and Metallurgy.
- (3) That I am a member of the Association of Professional Engineers of the Province of Quebec.
- (4) That I have no personal interest, direct or indirect in the properties or securities of Captain Mines Limited and do not expect to receive any interest therein.
- (5) That this report is based on the available records of the company and my personal knowledge of the region.


R.W. Dempsey, P. Eng.

Dated at Rockingham, N.S.
this 14th day of June, 1965.

16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	It is believed that the present Directors of the Company are in such position, dependent upon proxies from a sufficient number of Shareholders.			
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	NUMBER OF SHARES <u>Free</u> <u>Escrowed</u>	NAME OF <u>COMPANIES</u>	COST <u>\$</u>	MARKET VALUE <u>(4/26/65)</u> <u>\$</u>
	55,567 55,567	Beauce Placer Mining Co. Ltd.	11,113.42	5,278.87
	3,000 -	Northern Canada Mines, Limited	7,035.00	6,120.00
	54,232 -	Atlantic Coast Copper Corporation Limited	54,232.87	77,009.44
			72,381.29	88,408.31
18. Brief statement of any lawsuits pending or in process against company or its properties.	There are no lawsuits pending or in process against the Company or its properties.			
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	There are no other material contracts outstanding.			
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	<p>There are no other material facts.</p> <p>The shares of the Company, referred to in Item 6 hereof, when issued will be in the course of primary distribution to the public.</p>			

DATED April 26, 1965.

CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

CAPTAIN MINES LIMITED.

D. W. Gordon - President

CORPORATE
SEAL

C. B. Brannigan - Secretary-Treasurer

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

HOUSTON & CO.

By:

"H. Gibson"